



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
MARION COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

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CERTIFICATION OF COMPLIANCE – LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS	



Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable David R. Hourigan, Marion County Judge/Executive

Members of the Marion County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Marion County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Marion County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the third paragraph below, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The internal controls and accounting system of the Jail Commissary Fund should be improved. The Jailer's receipts ledger for the Jail Commissary Fund was not accurately posted. Telephone commissions and interest payments were deposited to the Jail Commissary Fund, but were not recorded on the receipts ledger. We also noted that several voided receipts were posted to the receipts ledger, prenumbered receipts were not issued in numeric order, bond fees were not recorded, cash was received and paid to prisoners on work release but not recorded, monthly reports of Jail Commissary receipts and disbursements were not prepared, and invoices were not found for two of the expenditures tested. In addition, the Jailer did not maintain daily checkout sheets so we could not reconcile to the deposit tickets. After the receipts ledger was adjusted to include the telephone commissions and interest earned, recorded receipts exceeded deposits by \$6,041. We were unable to determine if this was due to recording errors or undeposited receipts.

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Marion County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, except for effects of the weak internal controls and accounting system of the Jail Commissary Fund, if any, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Marion County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

Our audit was performed for the purpose of forming an opinion on the financial statements of Marion County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present the accompanying comments and recommendations, included herein, which discusses the following areas of noncompliance:

- The County Treasurer Should Prepare And Publish An Annual Settlement
- The County Judge/Executive Should Present All Claims To The Fiscal Court For Review
- The County Should Budget All Expected Receipts And Expenditures And Include All Funds In The Financial Statements
- Accurate Accounting Records Should Be Maintained By The County
- Jailer Should Improve The Accounting System Of The Jail Commissary Fund And Strengthen Internal Controls
- Jail Telephone Commissions Should Be Paid To The County Treasurer
- Fiscal Court Should Take The Necessary Steps To Ensure That Health Insurance Premiums Are Properly Withheld From Employee Payroll Checks

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In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2000, on our consideration of Marion County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -
March 15, 2000

MARION COUNTY OFFICIALS

June 30, 1999

David R. Hourigan	County Judge/Executive
Joseph H. Mattingly, III	County Attorney
Samuel Edward Lee, III	County Clerk
Kim May	Circuit Court Clerk
Carroll Kirkland	Sheriff
Charles L. Webb	Jailer
Raphael Spalding	Property Valuation Administrator
Donald J. George	County Treasurer
Bobby A. Hardin	Coroner
William Kelley Bradshaw, Jr.	Magistrate
J.B. Thomas	Magistrate
Robert G. Craig, Sr.	Magistrate
Joseph D. Thompson	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

MARION COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets and Other Resources

Assets

General Fund:

Cash	\$ 217,190
------	------------

Road and Bridge Fund:

Cash	2,317
------	-------

Jail Fund:

Cash	179,239
------	---------

Due from Jail Commissary Fund	14,099
-------------------------------	--------

Jail Commissary Fund:

Cash	40,387
------	--------

Local Government Economic Assistance Fund:

Cash	37,999
------	--------

Ambulance Service Fund:

Cash	9,249
------	-------

Public Properties Corporation Fund:

Cash - Fair Association Account	4,184
---------------------------------	-------

Cash - Jail Construction Account	529,572
----------------------------------	---------

Social Security Account - Cash	4,094
--------------------------------	-------

Health Insurance Account - Cash	3,169
---------------------------------	-------

Other Resources

Public Properties Corporation Fund:

Amounts to be Provided in Future Years for Note Principal Payments	5,357,886
--	-----------

Total Assets and Other Resources

	\$ 6,399,385
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MARION COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1999
 (Continued)

Liabilities and Fund Balances

Liabilities

Jail Commissary Fund:	
Due to Jail Fund	\$ 14,099
Public Properties Corporation Fund:	
Note Payable (Note 4A)	24,000
Note Payable (Note 4B)	5,333,886
Social Security Revolving Account	4,094
Health Insurance Account	3,169

Fund Balances

Reserved:	
Jail Commissary Fund	26,288
Ambulance Service Fund	9,249
Public Properties Corporation Fund	533,756
Unreserved:	
General Fund	217,190
Road and Bridge Fund	2,317
Jail Fund	193,338
Local Government Economic Assistance Fund	37,999
Total Liabilities and Fund Balances	<u>\$ 6,399,385</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

MARION COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 6,277,829	\$ 3,051,237	\$ 1,039,505	\$ 1,455,477
Transfers In	540,120	35,000	97,500	267,620
Kentucky Advance Revenue Program	980,040	929,960	50,080	
Jail Commissary Fund Receipts	167,193			
Total Cash Receipts	<u>\$ 7,965,182</u>	<u>\$ 4,016,197</u>	<u>\$ 1,187,085</u>	<u>\$ 1,723,097</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 5,590,848	\$ 2,409,385	\$ 1,082,680	\$ 1,477,216
Public Properties Corporation Fund Expenditures	1,671,154			
Transfers Out	540,120	482,500	52,500	
Borrowed Money Repaid	120,114			116,114
Kentucky Advance Revenue Program Repaid	980,040	929,960	50,080	
Jail Commissary Fund Expenditures	152,700			
Total Cash Disbursements	<u>\$ 9,054,976</u>	<u>\$ 3,821,845</u>	<u>\$ 1,185,260</u>	<u>\$ 1,593,330</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (1,089,794)	\$ 194,352	\$ 1,825	\$ 129,767
Cash Balance - July 1, 1998*	<u>2,109,931</u>	<u>22,838</u>	<u>492</u>	<u>49,472</u>
Cash Balance - June 30, 1999*	<u>\$ 1,020,137</u>	<u>\$ 217,190</u>	<u>\$ 2,317</u>	<u>\$ 179,239</u>

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

MARION COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Jail Commissary Fund	Local Government Economic Assistance Fund	Ambulance Service Fund	Public Properties Corporation Fund	Grant Fund
\$	\$ 27,566	\$ 236,933 140,000	\$ 226,930	\$ 240,181
167,193				
\$ 167,193	\$ 27,566	\$ 376,933	\$ 226,930	\$ 240,181
\$	\$	\$ 381,386	\$	\$ 240,181
			1,671,154 5,120 4,000	
152,700				
\$ 152,700	\$ 0	\$ 381,386	\$ 1,680,274	\$ 240,181
\$ 14,493 25,894	\$ 27,566 10,433	\$ (4,453) 13,702	\$ (1,453,344) 1,987,100	\$ 0
\$ 40,387	\$ 37,999	\$ 9,249	\$ 533,756	\$ 0

MARION COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Marion County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, management has included the Jail Commissary Fund and the Marion County Public Properties Corporation as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Marion County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

MARION COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.22 percent. Hazardous covered employees are required to contribute 7 percent of their salary to the plan. The county's contribution rate for hazardous employees was 18.85 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. As of September 11, 1998, the bank balances were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond. However, as of June 30, 1999, the collateral and FDIC insurance together did not equal or exceed the amount on deposit, leaving \$51,801 of public funds uninsured and unsecured. In addition, the county did not have a written agreement with the depository institution securing the county's interest in the collateral.

MARION COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 3. Deposits (Continued)

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of June 30, 1999.

	<u>Bank Balance</u>
Collateralized with securities held by the county's agent in the county's name	\$ 844,236
Uncollateralized and uninsured	<u>51,801</u>
Total	<u><u>\$ 896,037</u></u>

Note 4. Long-Term Debt

- A. On June 21, 1995, the Marion County Public Properties Corporation borrowed \$40,000 from Citizens National Bank for the purposes of funding improvements made to the Floral Hall at the Marion County Fairgrounds. Interest is payable semiannually at the rate of 5.81 percent. The note is to be repaid upon demand. As of June 30, 1999, the balance of the note was \$24,000.
- B. On June 10, 1998, the Marion County Public Properties Corporation entered into a contract, lease, and option in the amount of \$5,450,000 from Community Trust Bank, F.S.B for the purpose of funding the expansion of the Marion County Detention Center. The estimated cost of the expansion was \$1,990,046; the remaining balance of the contract, lease, and option was used to pay off the financing statement with Star Bank, N.A. for the original construction. The date of the final maturity of the obligation is May 1, 2018. As of June 30, 1999, the outstanding balance was \$5,333,886.

Note 5. Lease-Purchase Agreement

The county has entered into the following lease-purchase agreement:

<u>Description</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Lease Purchase Agreement: Various Equipment and Vehicles	12/02/96	05/15/06	6.25	<u><u>\$ 56,869</u></u>

MARION COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 6. Health Insurance Premiums

Subsequent to June 30, 1998, it was noted that the county had not been properly withholding family plan health insurance premiums from employees' salaries. During the period July 1, 1996 through June 30, 1999, the estimated amount not withheld was in excess of \$33,000. During the fiscal year ended June 30 1999, the estimated amount is \$13,855. Fiscal Court is currently attempting to recoup these funds through the County Treasurer's bond.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

MARION COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 3,496,981	\$ 3,051,237	\$ (445,744)
Road and Bridge Fund	1,234,965	1,039,505	(195,460)
Jail Fund	1,577,158	1,455,477	(121,681)
Local Government Economic Assistance Fund	10,000	27,566	17,566
Ambulance Service Fund	415,000	236,933	(178,067)
Grant Fund	421,000	240,181	(180,819)
Totals	<u>\$ 7,155,104</u>	<u>\$ 6,050,899</u>	<u>\$ (1,104,205)</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 7,155,104
Add: Budgeted Prior Year Surplus			144,530
Less: Other Financing Uses			<u>(1,187,605)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 6,112,029</u>

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SCHEDULE OF OPERATING REVENUE

MARION COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	(Totals Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Revenue From Local Taxes and Excess Fees</u>				
Sheriff:				
Taxes	\$ 448,121	\$ 448,121	\$	\$
Excess Fees	38,599	38,599		
County Clerk:				
Deed Transfer Tax	54,194	54,194		
Delinquent Taxes	4,814	4,814		
Commercial License	7,148	7,148		
Excess Fees	65,361	65,361		
Tangible Personal Property Taxes:				
Other Counties	8,275	8,275		
County Clerk	63,189	63,189		
Occupational Employment Tax	1,205,011	1,205,011		
Totals	\$ 1,894,712	\$ 1,894,712	\$ 0	\$ 0
<u>Federal Receipts - State Treasurer</u>				
Community Development Block Grant - Finley Ridge Waterline Project	\$ 165,181	\$	\$	\$
Disaster and Emergency Assistance Grant - 1997 Flood Relief	10,407	10,407		
Totals	\$ 175,588	\$ 10,407	\$ 0	\$ 0
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 50,690	\$	\$	\$ 50,690
Medical Allotments	3,977			3,977
DUI Service Fees	3,235			3,235
Controlled Intake	868,196			868,196
County Road Aid	644,073		644,073	
Rural Secondary Road Aid	120,000		120,000	
Emergency Road Aid	97,111		97,111	

Local Government Economic Assistance Fund	Ambulance Service Fund	Public Properties Corporation Fund	Grant Fund
\$	\$	\$	\$
\$ 0	\$ 0	\$ 0	\$ 0
\$	\$	\$	\$ 165,181
\$ 0	\$ 0	\$ 0	\$ 165,181
\$	\$	\$	\$

MARION COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	(Totals Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer (Continued)</u>				
Transportation of Parochial School				
Children	\$ 34,226	\$ 34,226	\$	\$
Truck License Distribution	161,449		161,449	
Election Expense Reimbursement	8,670	8,670		
Courthouse Rental - Administrative				
Office of the Courts	62,603	62,603		
Omitted Tangible Tax	2,836	2,836		
Refunds:				
Legal Process Taxes	102	102		
Dog Licenses	15	15		
Severance Taxes:				
Mineral	27,125			
Board of Assessments	250	250		
Grants:				
Loretto Child Care Center Project	75,000			
Disaster and Emergency Services				
Reimbursement	4,037	4,037		
Totals	\$ 2,163,595	\$ 112,739	\$ 1,022,633	\$ 926,098

Miscellaneous Revenue

Interest	\$ 78,207	\$ 6,259	\$ 2,880	\$ 623
Interest On Other Investments	26,314	24,969	1,345	
Circuit Court Clerk:				
Court Costs and Jail Operation	11,685			11,685
Bond Acceptance Fees	5,305			5,305
Work Release	15,435			15,435
Contracts with Government				
Agencies	443,833			443,833
County Fair and Shows	158,993			

MARION COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Ambulance Service Fund	Public Properties Corporation Fund	Grant Fund
\$	\$	\$	\$
27,125			
			75,000
<u>\$ 27,125</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 75,000</u>
\$ 441	\$ 67	\$ 67,937	\$

158,993

MARION COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	(Totals Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u> (Continued)				
Licenses and Permits:				
Cable TV Franchise	\$ 1,933	\$ 1,933	\$	\$
Charges for Services:				
Garbage Collection	948,334	948,334		
Landfill Users	9,758	9,758		
Dog Pound	1,406	1,406		
Ambulance Service	236,532			
Reimbursements:				
Insurance	17,368	17,368		
Miscellaneous Items	88,831	23,352	12,647	52,498
Totals	\$ 2,043,934	\$ 1,033,379	\$ 16,872	\$ 529,379
Total Operating Revenue	\$ 6,277,829	\$ 3,051,237	\$ 1,039,505	\$ 1,455,477

MARION COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Ambulance Service Fund	Public Properties Corporation Fund	Grant Fund
\$	\$	\$	\$
	236,532		
	334		
\$ 441	\$ 236,933	\$ 226,930	\$ 0
\$ 27,566	\$ 236,933	\$ 226,930	\$ 240,181

COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

MARION COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 53,277	\$ 52,291	\$ 986
Deputy County Judge/Executive	27,912	27,335	577
Travel	1,000	880	120
Office of County Attorney:			
Salaries-			
County Attorney	32,554	30,979	1,575
Secretary	6,574	5,498	1,076
Office of County Clerk:			
County Clerk Salary	3,600	3,600	
Office Supplies	23,000	18,094	4,906
Office of County Coroner:			
Salaries-			
County Coroner	4,800	4,476	324
Deputy Coroner	1,800	1,799	1
Fiscal Court:			
Elected County Officials	30,000	26,128	3,872
Office of Property Valuation Administrator:			
Program Support	21,526	21,275	251
Office of Board of Assessment Appeals:			
Board and Committee Members Fees	1,000	500	500
Office of County Treasurer:			
County Treasurer Salary	27,312	25,995	1,317

MARION COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
County Law Library:			
Law Librarian Salary	\$ 600	\$	\$ 600
Elections:			
Per Diem-			
Election Commissioners	2,000	1,920	80
Election Officers	10,000	9,470	530
Election Tabulator	500	295	205
Rental of Precincts	600	490	110
Other Supplies	27,000	24,259	2,741
Economic Development:			
Program Support	70,000	70,000	
Courthouse:			
Salaries-			
Custodial Personnel	37,000	35,152	1,848
Telephone	30,000	28,764	1,236
Utilities	47,000	36,306	10,694
Office Rent	6,500	6,000	500
Data Processing	12,000	9,829	2,171
Courthouse Maintenance	27,000	23,518	3,482
Courthouse Supplies	55,000	54,959	41
Custodial Supplies	12,000	8,583	3,417
Pest Control	1,000	455	545
Laundry Services	2,000	1,964	36
Postage	12,000	11,424	576
<u>Protection to Persons and Property</u>			
County Fire Department:			
Program Support	60,000	51,076	8,924
Rescue Squad:			
Program Support	7,500	7,500	

MARION COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Disaster and Emergency Services:			
Program Support	\$ 8,000	\$ 6,720	\$ 1,280
Utilities	6,500	6,142	358
Emergency Dispatch Service:			
Dispatch Service	40,000	38,962	1,038
Office of Public Defender:			
Program Support	2,063	2,062	1
<u>General Health and Sanitation</u>			
Animal Control:			
Salaries	20,000	18,126	1,874
Supplies	15,000	11,425	3,575
Solid Waste Collection:			
Solid Waste Transfer	430,000	420,735	9,265
Machinery and Equipment	90,000	87,948	2,052
Collection Salaries	265,000	248,444	16,556
Soil and Water Conservation:			
Program Support	15,000	15,000	
<u>Social Services</u>			
Senior Citizens Program:			
Program Support	4,500	4,413	87
<u>Bus Services</u>			
Transportation of School Children	42,000	41,658	342
<u>Other Transportation Facilities and Services</u>			
Motor Vehicles	140,000	127,949	12,051

MARION COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Recreation and Culture</u>			
Other Recreation Program:			
Program Support	\$ 120,000	\$ 110,325	\$ 9,675
<u>Debt Service</u>			
Lease:			
Principal on Lease	124,000	123,721	279
Interest on Lease	20,000	7,752	12,248
Kentucky Advance Revenue Program -			
Interest	24,942	20,345	4,597
<u>Capital Projects</u>			
Consultants	50,000	27,083	22,917
<u>Administration</u>			
General Services:			
Audit Services	20,000	13,328	6,672
Insurance	70,000	55,337	14,663
Bank Charges	1,000	37	963
KACO Memberships	2,000	1,775	225
Contingent Appropriations:			
Reserve for Transfer	2,189		2,189
Fringe Benefits:			
County Contributions-			
Social Security	50,000	45,975	4,025
Retirement	90,000	85,550	4,450
Health Insurance	200,000	183,836	16,164
Life Insurance	33,000	31,978	1,022
Worker's Compensation	60,000	56,119	3,881
Unemployment Insurance	16,000	15,826	174

MARION COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
Total Operating Budget	\$ 2,615,249	\$ 2,409,385	\$ 205,864
Other Financing Uses:			
Kentucky Advance Revenue Program- Principal	933,940	929,960	3,980
Total General Fund	<u>\$ 3,549,189</u>	<u>\$ 3,339,345</u>	<u>\$ 209,844</u>
<u>ROAD AND BRIDGE FUND</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	\$ 30,353	\$ 29,606	\$ 747
Road Maintenance:			
Road Workers Salaries	203,000	193,729	9,271
Road Materials	165,000	160,618	4,382
Crushed Stone and Gravel	466,000	457,213	8,787
Gasoline	65,000	53,305	11,695
Machinery and Equipment	105,000	84,114	20,886
<u>Debt Service</u>			
Kentucky Advance Revenue Program - Interest	2,110	1,096	1,014
<u>Administration</u>			
General Services:			
Bank Charges	1,000		1,000
Contingent Appropriations:			
Reserve for Transfers	1,340		1,340
Fringe Benefits:			
County Contributions-			
Retirement	22,000	18,674	3,326
Social Security	20,000	16,253	3,747
Health Insurance	<u>70,000</u>	<u>68,072</u>	<u>1,928</u>

MARION COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
Total Operating Budget	\$ 1,150,803	\$ 1,082,680	\$ 68,123
Other Financing Uses:			
Kentucky Advance Revenue Program- Principal	98,665	50,080	48,585
Total Road and Bridge Fund	<u>\$ 1,249,468</u>	<u>\$ 1,132,760</u>	<u>\$ 116,708</u>

JAIL FUND

Protection to Persons and Property

Office of Jailer:

 Personnel Services-

 Salaries-

 Jailer

\$ 53,277 \$ 50,624 \$ 2,653

 Deputies

545,000 538,430 6,570

 Contracts with Government

 Agencies

2,500 300 2,200

 Operations-

 Cleaning Supplies

34,000 32,279 1,721

 Office Supplies

25,000 24,945 55

 Data Processing

6,500 6,388 112

 Food

203,000 201,098 1,902

 Linens

3,500 3,477 23

 Prisoner Clothing

7,500 2,627 4,873

 Routine Medical

102,500 90,130 12,370

 Staff Uniforms

15,000 10,164 4,836

 Utilities

65,000 64,556 444

 Telephone

10,000 8,831 1,169

 Gasoline

3,600 2,252 1,348

 Pest Control

1,000 720 280

 Miscellaneous Operating Expense

4,000 3,988 12

 Maintenance-

 Building Repairs

22,000 21,031 969

 Equipment Repairs

30,000 29,399 601

 Juvenile Detention-

 Contracts with Government

 Agencies

25,000 18,801 6,199

MARION COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Debt Service</u>			
Borrowed Money:			
Interest on Notes Payable	\$ 231,000	\$ 269,223	\$ (38,223)
<u>Administration</u>			
General Services:			
Membership Dues	600	550	50
Fringe Benefits:			
County Contributions-			
Retirement	44,500	44,170	330
Social Security	45,500	43,257	2,243
Health Insurance	10,000	9,976	24
Total Operating Budget	\$ 1,489,977	\$ 1,477,216	\$ 12,761
Other Financing Uses:			
Debt Service-			
Principal on Notes Payable	155,000	116,114	38,886
Total Jail Fund	\$ 1,644,977	\$ 1,593,330	\$ 51,647
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>Roads</u>			
Road Maintenance:			
Road Materials	\$ 20,000	\$ 0	\$ 20,000
<u>AMBULANCE SERVICE FUND</u>			
<u>Protection to Persons and Property</u>			
Ambulance Service:			
Salaries-			
Medical Personnel	\$ 275,000	\$ 270,369	\$ 4,631

MARION COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>AMBULANCE SERVICE FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Ambulance Service: (Continued)			
Salaries- (Continued)			
Temporary/Part-Time Personnel	\$ 2,000	\$ 943	\$ 1,057
Office Supplies	60,000	44,845	15,155
Maintenance	15,000	12,824	2,176
Gasoline	8,000	5,342	2,658
Telephone	4,000	565	3,435
General Services:			
Bank Charges	1,000	174	826
Fringe Benefits:			
County Contributions-			
Retirement	22,000	20,591	1,409
Social Security	20,000	19,692	308
Health Insurance	8,000	6,041	1,959
Total Ambulance Service Fund	<u>\$ 415,000</u>	<u>\$ 381,386</u>	<u>\$ 33,614</u>
<u>GRANT FUND</u>			
<u>Social Services</u>			
Services To Children And Youth:			
General Welfare - Loretto Child Care			
Center Project	\$ 75,000	\$ 75,000	\$
<u>Capital Projects</u>			
Other Capital Projects-			
Gap Knob Water Project	346,000		346,000
Finley Ridge Water Project		165,181	(165,181)
Total Grant Fund	<u>\$ 421,000</u>	<u>\$ 240,181</u>	<u>\$ 180,819</u>

MARION COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
Total Operating Budget - All Funds	\$ 6,112,029	\$ 5,590,848	\$ 521,181
Other Financing Uses:			
Kentucky Advance Revenue Program-			
Principal	1,032,605	980,040	52,565
Debt Service-			
Principal on Notes Payable	155,000	116,114	38,886
TOTAL BUDGET - ALL FUNDS	<u>\$ 7,299,634</u>	<u>\$ 6,687,002</u>	<u>\$ 612,632</u>

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SCHEDULE OF PUBLIC PROPERTIES CORPORATION FUND EXPENDITURES

MARION COUNTY
SCHEDULE OF PUBLIC PROPERTIES CORPORATION FUND EXPENDITURES

Fiscal Year Ended June 30, 1999

<u>Expenditure Items</u>	<u>Fair Association Account</u>	<u>Jail Construction Account</u>	<u>Total Public Properties Corporation</u>
Utilities	\$ 5,704	\$	\$ 5,704
Repairs and Maintenance	4,308		4,308
Supplies	218		218
Office Supplies	1,019		1,019
Advertising	1,750		1,750
Harness Racing	86,473		86,473
English Saddle Horse Show	950		950
Western Horse Show	6,055		6,055
General Fair Expense	3,956		3,956
Beauty Pageants	2,882		2,882
Demolition Derby	2,432		2,432
Truck and Tractor Pulls	5,412		5,412
Dairy Show	1,261		1,261
Beef Show	969		969
4-H Shows and Exhibitions	1,359		1,359
Home Economics Floral Hall	2,000		2,000
ATV Races	2,902		2,902
Music Show	700		700
Walking Horse Show	3,482		3,482
Insurance	2,062		2,062
Interest Expense	1,648		1,648
Sundry	22,212		22,212
Professional Services		138,878	138,878
Jail Construction		1,369,659	1,369,659
Blacktop		2,413	2,413
Miscellaneous	450		450
Totals	<u>\$ 160,204</u>	<u>\$ 1,510,950</u>	<u>\$ 1,671,154</u>

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable David R. Hourigan, Marion County Judge/Executive
Members of the Marion County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Marion County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated March 15, 2000. Except as disclosed on page 1 of the "Independent Auditor's Report" in relation to the Jail Commissary Fund, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Marion County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying comments and recommendations.

- The County Treasurer Should Prepare And Publish An Annual Settlement
- The County Judge/Executive Should Present All Claims To The Fiscal Court For Review
- The County Should Budget All Expected Receipts And Expenditures And Include All Funds In The Financial Statements
- Accurate Accounting Records Should Be Maintained By The County
- Jailer Should Improve The Accounting System Of The Jail Commissary Fund And Strengthen Internal Controls

David R. Hourigan, Marion County Judge/Executive
 Members of the Marion County Fiscal Court
 Report On Compliance And On Internal Control
 Over Financial Reporting Based On An Audit Of Financial
 Statements Performed In Accordance With Government Auditing Standards
 (Continued)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Marion County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Marion County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying comments and recommendations.

- The County Treasurer Should Prepare And Publish An Annual Settlement
- The County Judge/Executive Should Present All Claims To The Fiscal Court For Review
- The County Should Budget All Expected Receipts And Expenditures And Include All Funds In The Financial Statements
- Accurate Accounting Records Should Be Maintained By The County
- Jailer Should Improve The Accounting System Of The Jail Commissary Fund And Strengthen Internal Controls
- Jail Telephone Commissions Should Be Paid To The County Treasurer
- Fiscal Court Should Take The Necessary Steps To Ensure That Health Insurance Premiums Are Properly Withheld From Employee Payroll Checks

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider the following to be material weaknesses.

- The County Judge Should Present All Claims To The Fiscal Court For Review
- Jailer Should Improve The Accounting System Of The Jail Commissary Fund And Strengthen Internal Controls

David R. Hourigan, Marion County Judge/Executive
Members of the Marion County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 15, 2000

COMMENTS AND RECOMMENDATIONS

MARION COUNTY
COMMENTS AND RECOMMENDATIONS

Fiscal Year Ended June 30, 1999

STATE LAWS AND REGULATIONS:

1) The County Treasurer Should Prepare And Publish An Annual Settlement

The County Treasurer should prepare an annual settlement, as required by KRS 68.020, which requires the County Treasurer to make a full and complete settlement within thirty days after the close of each fiscal year. KRS 424.220(6) further requires the County Treasurer to prepare an annual settlement and publish it within 60 days after the close of the fiscal year. The County Treasurer published the summary sheet from his June 30th quarterly financial statement, but we could find no indication that this was approved by the fiscal court. We recommend the County Treasurer present a complete settlement to the fiscal court within 30 days, and publish an annual settlement within 60 days after the close of each fiscal year.

County Judge/Executive's Response:

None.

2) The County Judge/Executive Should Present All Claims To The Fiscal Court For Review

During the audit we discovered that the County Judge/Executive did not present all claims to the fiscal court for its review. KRS 68.275(2) states the county judge/executive shall present all claims to the fiscal court for review prior to payment and the court, for good cause shown, may order that a claim not be paid. We recommend that the County Judge/Executive comply with this statute and present all claims to the fiscal court for their review.

County Judge/Executive's Response:

None.

3) The County Should Budget All Expected Receipts And Expenditures And Include All Funds In The Financial Statements

The county received and expended from the Grant Fund \$165,180 of Community Development Block Grant funds for the Finley Ridge Water Expansion Project which was not budgeted. The Grant Fund was not included in the County's Quarterly Financial Statements as required by KRS 68.360. In accordance with KRS 68.220, the county budget should provide for all funds, including those from federal sources, expected to be expended by the county from current revenue for each fiscal year. We recommend the fiscal court include in the county's budget all moneys expected to be received and expended in a fiscal year or utilize budget amendments in accordance with KRS 68.280, which allows for the expenditure of receipts unanticipated in the original budget. We further recommend that the Grant Fund be included in the county's financial statements as required by KRS 68.360.

County Judge/Executive's Response:

None.

MARION COUNTY
 COMMENTS AND RECOMMENDATIONS
 Fiscal Year Ended June 30, 1999
 (Continued)

STATE LAWS AND REGULATIONS: (Continued)

4) Accurate Accounting Records Should Be Maintained By The County

The county's appropriation ledger was not correctly posted, resulting in an inaccurate county financial statement. An accurate recording of receipts and expenditures is required by KRS 43.075(3). We noted that several expenditures were posted to improper expenditure accounts. These mispostings present inaccurate totals for line item expenditures, hindering the budget preparation process. We recommend that accurate records be maintained in the future and that all expenditures be posted to the proper expenditure accounts.

County Judge/Executive's Response:

None.

5) Jailer Should Improve The Accounting System Of The Jail Commissary Fund And Strengthen Internal Controls

A material weakness in an internal control and accounting system results when the design or operation of the system does not reduce to a relatively low level the risk that material noncompliance with laws and regulations may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. The State Local Finance Office has issued guidelines for minimum accounting and reporting standards for jail commissaries pursuant to KRS 68.210. In addition, KRS 441.135 requires the Jailer keep receipts and disbursements and annually report to the County Treasurer. During our audit, we noted:

- The receipts ledger was not accurately maintained. Telephone commissions totaling \$14,099 and interest earned totaling \$492 were deposited to the Jail Commissary Fund account, but were not posted to the receipts ledger.
- Several voided receipts were posted to the receipts ledger. Based on the adjusted Jailer's receipts ledger, receipts totaled \$173,233. Bank records indicated that only \$167,192 was deposited. We were unable to determine if the difference of \$6,041 was due to recording errors or undeposited receipts.
- Prenumbered receipts were not used in numeric order. Multiple receipt books were used at the same time.
- Cash was kept in folders and distributed to prisoners assigned to work release. No record was kept of these receipts and disbursements; therefore, they could not be audited.
- Bond fees collected were not recorded on the receipts or disbursements ledgers.
- Invoices or receipts could not be found to support two of the tested expenditures of the Jail Commissary Fund.

The Jailer should monitor his employees to determine if the internal controls over receipts and disbursements are in place and working.

Marion County Jailer's Response:

We are now making daily deposits matching our daily checkout sheets. Multiple receipt books were used because we accepted money at multiple locations (canteen, office, booking). Monthly reports are now being done.

MARION COUNTY
COMMENTS AND RECOMMENDATIONS
Fiscal Year Ended June 30, 1999
(Continued)

STATE LAWS AND REGULATIONS: (Continued)

6) Jail Telephone Commissions Should Be Paid To The County Treasurer

The Marion County Jail was paid \$30,041 in telephone commissions, of which \$15,942 was deposited into the Jail Fund and \$14,099 was deposited in the Jail Commissary Fund. All telephone commissions are county funds, which should have been given to the County Treasurer for deposit to the county's Jail Fund. We recommend that the \$14,099 deposited to the Jail Commissary Fund be transferred to the county's Jail Fund. In the future, we also recommend that all telephone commissions be deposited directly to the Jail Fund.

Marion County Jailer's Response:

A check will be written to the Jail Fund for \$14,099. All telephone commissions are now being deposited into the Jail Fund.

7) Fiscal Court Should Take The Necessary Steps To Ensure That Health Insurance Premiums Are Properly Withheld From Employee Payroll Checks

Fiscal Court's policy concerning health insurance premiums is to pay the cost of coverage for its employees; each employee may then elect to insure his/her family under the same insurance policy at his/her own cost. Such premiums are to be withheld from employee payroll checks. Prior to beginning our audit, the County Judge/Executive informed us that these premiums were not withheld for several employees. As a result of our test of payroll, we also noted several other employees who did not have the premiums withheld from their checks. Our estimate of health insurance premiums not withheld during fiscal year ended June 30, 1999 is \$13,865; our estimate of total health insurance premiums not withheld is in excess of \$33,000. We recommend that fiscal court attempt to recover these funds. We also recommend that, in the future, fiscal court take the necessary steps to ensure that these insurance premiums are withheld from employee payroll checks.

County Judge/Executive's Response:

None.

MARION COUNTY
COMMENTS AND RECOMMENDATIONS
Fiscal Year Ended June 30, 1999
(Continued)

PRIOR YEAR COMMENTS:

These prior year findings have not been corrected and are repeated in this report.

- 1) The County Treasurer should prepare and publish an annual settlement. This finding has not been corrected and is reported as finding numbered 1).
- 2) The County Judge/Executive should present all claims to the Fiscal Court for review.
- 3) The County should budget all expected receipts and expenditures.
- 4) Accurate accounting records should be maintained by the county.
- 5) The Jailer should improve the internal controls and accounting system of the Jail Commissary Fund.
- 6) Fiscal Court should take the necessary steps to ensure that health insurance premiums are properly withheld from employee payroll checks.
- 7) The County should not make expenditures in excess of approved budget.

**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**

MARION COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1999

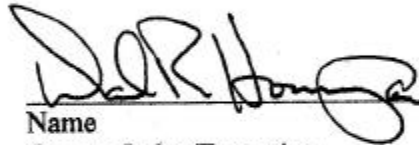
Appendix A

CERTIFICATION OF COMPLIANCE

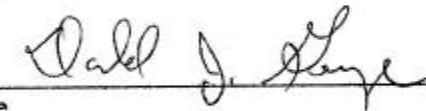
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

MARION COUNTY FISCAL COURT

The Marion County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program and Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.


Name

County Judge/Executive


Name

County Treasurer

